

## **An empirical test of the career-concerns model**

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**Abstract:** Workers' career incentives may substitute for explicit performance-based incentives, so that explicitly incentivizing workers may not be necessary if their career incentives are sufficiently high. We study a model of workers' career incentives and we assume that firms are always able to observe workers' relative performance and that, afterwards, the better-performing worker (the "winner") is given another opportunity to showcase his performance. We derive several testable implications from our model that we support with data from professional soccer. In line with our theoretical results, we observe that the winner's wage is increasing in the opponent's strength, decreasing in the winner's age and that the winner receives a higher wage when he displays a better performance.